



Anthony J. Bodine, CPL
Senior Land Representative

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September 13, 2006

Hon. James H. Welsh, Commissioner
Department of Natural Resources
Office of Conservation
P. O. Box 94275 - Capitol Station
Baton Rouge, Louisiana 70804-9275

Dear Sir:

Chevron U.S.A. Inc. requests the calling of a public hearing, after due legal notice, to consider the following matters pertaining to the X-1 Sand, Fault Block C, in the West Bay Field, Plaquemines Parish, Louisiana:

1. To dissolve the WB X-1 FBC SU created by Order No. 396-P, effective February 1, 1965, and simultaneously create a revised reservoir wide unit for the X-1 Sand, Fault Block C;
2. To expand the sand definition of the X-1 Sand, Fault Block C, to be that interval encountered between the electric log depths of 6,046 MD (-5,880 TVD SS) feet and 6,195 MD (-5,985 TVD SS) feet in the Chevron U.S.A. Inc. (LLOG Exploration Company, LLC) – SL 451 Well No. 7 (SL 451 No. 2), located in Section 2, Township 23 South, Range 30 East, Plaquemines Parish, Louisiana.
3. To establish rules and regulations governing the exploration for and production of oil and gas from the X-1 Sand, Fault Block C;
4. To force pool and integrate all separately owned tracts and mineral leases, and other mineral interests within the unit, and to provide that unit production be shared in the proportion that the number of surface acres underlying each tract bears to the total number of surface acres underlying the entire unit;
5. To designate the Chevron U.S.A. Inc. (LLOG Exploration Company, LLC) – SL 451 Well No. 7 (SL 451 No. 2) as the unit well and the SL 451 Well No. 8 (BLD "E" No. 2) as the second unit well for the revised WB X-1 FBC SU;
6. To designate Chevron U.S.A. as the Operator of the revised WB X-1 FBC SU;
7. To provide that any future replacement and/or alternate wells for said unit shall be exempt from the spacing provisions of Statewide Order No. 29-E;

8. To provide for future reclassification of the reservoir without the necessity of a public hearing if such reclassification becomes necessary due to a change in production characteristics;
9. To consider other such matters that the Commissioner may deem pertinent.

The X-1 Sand, Fault Block C, in the West Bay Field is fully defined by Conservation Order No. 396-P, effective February 1, 1965.

Chevron will provide for the advertisement of the legal notice in a newspaper of general circulation in the vicinity of the West Bay Field, and also will post the legal notice and unit plat in a prominent place in the area of the field. Chevron will also mail a copy of said legal notice to Interested Owners, Represented Parties and to Interested Parties.


Attached are (1) a copy of the unit plat, (2) a list of Interested Owners, Represented Parties, and Interested Parties, and (3) our check in the amount of \$755.00 to cover the application fee due.

A copy of this application, plat and list attached, is being sent to Mr. Richard D. Hudson, District Manager, Lafayette, Louisiana. A copy of this application and plat are also being sent to each Interested Owner, Represented Party, and Interested Party after a reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

The pre-application conference was not held since Chevron did not receive a request to confer.

All pertinent data relating to the subject application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Blvd., Suite 204, Metairie, Louisiana, 70002. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained from Mr. Gilbert **at the cost of the requesting party**. Any other questions or concerns should be directed to the undersigned at Chevron U.S.A. Inc., 935 Gravier St., Room 656, New Orleans, Louisiana 70112, telephone number (504) 592-6768.

Yours truly,



Anthony J. Bodine, CPL
Senior Land Representative

Attachments

cc: Mr. Richard D. Hudson, District Manager
Interest Owners, Represented Parties and Interested Parties

